



AGRIBUSINESS

# Field Notes

Weekly news update from the KPMG Agribusiness network



Available now  
**10th Anniversary  
KPMG Agri-business  
Agenda 2019**

**09 April 2020** – This week's headlines



## Agribusiness

**Fielddays postponed indefinitely [02 April, Farmers Weekly]**



## Agribusiness

**Food producers and suppliers are switching to home delivery to survive [03 April, Bonnie Flaw, Stuff NZ]**



## Environment & Emissions

**Plastic packaging: Hero or villain in the coronavirus era? [01 April, Oliver Morrison, Food Navigator]**



## Dairy

**Dairy product price index posts first gain in five auctions [08 April, BusinessDesk, Farmers Weekly]**



## Horticulture

**Covid 19 coronavirus: Horticulture sector 'lifeline' for more Kiwi workers [08 April, Sandra Conchie, The Country]**

**Download the  
Field Notes app**

Search 'KPMG Field Notes'  
on your device today.





---

## BLOG OF THE WEEK

---

### From production and profit, to impact.

You're sitting in a conference room, and the speaker standing in front of you announces into the microphone "the industry has made significant progress over the decades", and with a smug grin states "it used to be all about production, but we're much smarter now; now the focus is on value and profit". The audience all nods in agreement.

Whether you've read, listened or seen it in action, a version of the above words has become common rhetoric in the industry for many years.

And it's true, our primary industries have been relatively successful in turning the dial from a predominant focus on volume and production, to one focused on profit. However, it's now time to turn that dial again.

As I write this, the global covid-19 pandemic is centre-stage, and agriculture is emerging as one of the heroes here in New Zealand and many places around the world. As an essential service, the food and fibre sector is not only providing sustenance to the domestic population, but also maintaining significant employment and export

revenue at a time where it couldn't be more important.

At the same time, industries touted as the country's economic future have hit massive roadblocks as people around the world have batten down the hatches over the last few weeks.

The New Zealand food and fibre sector now has a choice. We can stand in front of the cameras and newspapers, arrogantly boasting at those who had criticised us for so many years. Or, we can leverage from this period by putting on our superhero capes and gumboots, and proactively deciding what we want to look like in a post-pandemic world.

We turned the dial from production to profit, but it is now time to turn the dial to 'impact'. Production gave us markets and scale; profit gave us efficiency and financial resilience; but social and environmental impact is required in the next chapter of food and fibre. Prior to Covid-19, 11% (500,000) New Zealanders experienced severe food insecurity, and there are still large environmental gains to be made across emissions, waste, and biodiversity. Turning the dial to 'impact' driven, means targeting social and environmental outcomes as a key priority alongside profit.

Now is certainly not the time to be complacent and take advantage of a grace period in public

perception. Primary industries must instead accelerate our focus on supporting, developing and contributing to communities, while using the current platform to share those stories.

Turning the dial from profit to impact is of equal importance for stakeholders at both ends of the value chain. That is, the wellbeing of communities where primary production and processing are occurring, through to the those consuming or using our products around the world.

Many businesses in the primary industries were still profitable while there was a focus on production, those businesses maintained or grew further success as the dial turned last time. Many businesses already measure social and environmental impact, and as the dial turns again, these are the businesses that will continue to succeed and lead the pathway into the future.

One key to unlocking this future will be ensuring that we don't limit long-term success with short-term thinking. During this period of disruption and a shift of the dial, it is as critical as ever that we invest for the long-term in attracting and retaining talent, in establishing strong business relationships, and in reassuring the public and consumers of our vision and commitment to Taiao and being 'fit for a better world'

When Covid-19 has quietened down and the world returns to its new version of normal, there's two options for our primary industries. We can enjoy the few months of limelight before slipping back into being a sector that is playing catch-up to global perceptions. Or alternatively, the New Zealand food and fibre sector can showcase our foresight and use this current platform of pride to demonstrate our dedication to social and environmental impact; turning the dial ourselves to empower continued success as leaders in food and fibre production that is good for the world.

### **Jack Keeyes**

KPMG Agri-food Research & Insights Analyst



## **Food Innovation**

[Alcohol-free: Could CBD help 'bridge the gap' for sceptics?](#) [03

April, Flora Southey, Food Navigator] Nielson data has revealed that demand for non-alcoholic beverages is on the rise, as well as the demand for CBD. Lolly Watkins, Account Director for alcohol marketing company YesMore has reported that CBD could potentially be an attractive ingredient for the alcohol-free category. Beverage companies are responding to one in five consumers choosing not to drink alcohol however, many are still working on finding the right formulation. Mrs Watkins reports that CBD may be able to be used in non-alcoholic beverages as its effects include making a consumer relaxed and calm, which could help bridge the gap between alcoholic and non-alcoholic drinks. CBD has a bitter aftertaste which needs to be counteracted.

[Personalised Nutrition innovation further shifts emphasis on self-care and prevention](#) [03 April, Will Chu, Nutra Ingredients] Patient-centred care is moving towards individual-based guidance which focuses on treating the patient rather than the disease. Technologies and digital tools used in personalised nutrition are being used in patient care. Start-ups have been particularly active in the sector, which UBS stating the personalised nutrition industry could be worth €58 billion (approx. NZD\$106 billion), which shows the growth opportunity available.



## **Pork**

[Pork industry isn't satisfied](#) [03 April, Farmers Weekly] New Zealand Pork is

not happy with Agriculture Minister Damien O'Connor's decision to only allow butchers to process pork for supermarkets and essential food processors only. NZ Pork Chief Executive David Baines reported that this decision means a large surplus of pigs will be left on-farm and could cause an animal welfare issue if capacity

for surplus pigs runs out. Local producers prior to the lockdown sold around 12,500 pigs a week and are now selling approximately 7,500 which means that there is a large surplus that usually go to independent butchers and food service outlets.



## Agribusiness

[Fieldays postponed indefinitely](#) [02 April, Farmers Weekly] The impacts

of Covid-19 means that the 2020 Fieldays at Mystery Creek have been postponed indefinitely. Chief Executive Peter Nation reported that it was a difficult decision to make as the continued effects of Covid-19 on the events sector is unknown currently, however has proposed an online version of Fieldays, so that exhibitors still have a chance to connect with customers. Mr Nation states that he understands this version of Fieldays will not suit everyone, however has various price points for virtual sites, which range from basic interactions to e-commerce sites with the ability to support global connections. Exhibitors are not currently able to have their site fees from this year's event refunded just yet, however currently have the option of putting the money towards a site at the postponed physical event or the online event instead.

[New Farmax chairman](#) [03 April, Rural News] Andrew MacPherson has been appointed as the new Chairman of Farmax for three years, taking over from Dr Greg Lambert who is retiring. Mr Macpherson is a former director of parent company AgResearch. Mr Macpherson reported that Farmax's support tool has a big role to play in the future of New Zealand's pastoral farming sector and is looking forward to growing the size of the business. Mr MacPherson is Chairman and Co-Owner of Sewell Peak Farm Ltd, is a former veterinary surgeon and has a strong history in agribusiness.

[Covid 19 coronavirus: Auckland greengrocer slams 'unfair' forced closure](#) [03 April, RNZ, NZ

Herald] Jack Lum, an Auckland Greengrocer has been forced to close his doors during the lockdown, and his son Mike Lum is questioning the rules, when some fruit stores and supermarkets with the same products are able to stay open. Mr Lum was able to stay open until last Thursday, when police told him that his store is too close to a supermarket, and could no longer stay open, despite Mr Lum putting in stringent rules to ensure customers were safe. Local MP David Seymour stated that the closure was arbitrary and that similar stores in the area have been allowed to remain open.

[Food producers and suppliers are switching to home delivery to survive](#) [03 April, Bonnie Flaw, Stuff NZ] New Zealand businesses are switching things up to ensure they make it through the impacts of Covid-19, with many switching to home delivery. E-commerce site The Modern Forager started up last week to fix supply chain issues for seasonal and export quality producers and deliver food boxes to homes. Produce Pronto has shifted delivery of their food baskets from offices and cafes to residential homes and have reported making more than 300 deliveries a day. Food store chains Freshchoice and Supervalve are increasing their capacity for online shopping.

[NZ rural sector remains vital to recovery, as Covid-19 concerns throw shadow on farmer confidence](#) [03 April, Rabobank-Media Release] Rabobank have released the results from their latest Rural Confidence Survey which shows that 56 percent of farmers expect agricultural conditions to worsen in the next 12 months, with majority of respondents citing Covid-19 as a key factor for this view. CEO Tod Charteris states that Rabobank continues to have a strong positive long-term view of the sector and reported that the food and agricultural sectors will be crucial in helping New Zealand rebuild its economy. Horticulturalists remained the most optimistic of farmer groups surrounding the performance of their individual businesses within the next year.

[Coronavirus: Butchers and bakers can now sell goods online during lockdown](#) [06 April, Jenna Lynch, Newshub] The Government have clarified that some greengrocers, butchers and bakers are able to sell their good online during the Level 4 lockdown. Butcher Mike Hansen reports that the process to find out whether his business is essential has been very confusing and was forced to throw away \$23,000 worth of meat when the lockdown began as he believed he was not able to sell the products. Prime Minister Jacinda Ardern confirmed this week that if butchers or greengrocers already have an online delivery offering, they are an essential service.

[Velvet quality keeps improving](#) [06 April, Annette Scott, Farmers Weekly] Deer Industry New Zealand Chief Executive Innes Moffat reports that velvet quality is better now than in the last 30 years and that deer farmers should be proud of what they have achieved. Today's velvet has more lipids and proteins than ever before, but demand and prices are starting to plateau. Mr Moffat reports that several scientific studies are in place studying the health properties of velvet and are hoping that these will pique the interest of organisations so that randomised clinical trials can take place. The market for velvet has been expanded in the last 10 years with products that offer energy boosts and immune functions.



## Horticulture

[Independent vegetable growers give produce to foodbanks amid Covid19 pandemic](#) [03 April, Georgia-May Gilbertson, Stuff NZ] The impact of the Covid-19 Level 4 lockdown on some small independent vegetable growers means that they are passing their produce onto foodbanks. Chief Executive of Horticulture New Zealand Mike Chapman has reported that there is now a process in place to help deliver produce to foodbanks across the country. These independent growers will not be re-planting whilst they have no place to sell their goods, meaning that they will be out of business in the meantime. Independent growers make up

around 20 percent of New Zealand's fruit and vegetable production and Mr Chapman states that this will have an impact on the wider community, however does not believe these closures will impact on prices. Some growers are managing to sell their produce online as part of a home delivery service.

[The veges must get through](#) [03 April, Annette Scott, Farmers Weekly] Talleys vegetables General Manager Aaron Chudleigh has reported that despite logistical challenges harvesting and processing crops, it is important that the annual harvest continues. Talleys harvests a wide range of vegetables including peas, beans, spinach, sweetcorn, carrots and potatoes. The Government's mandated Covid-19 criteria has been stringently met in its fully integrated system, ensuring individuals in both field harvesting and in the factory manage risk in their work bubbles and home bubbles.

[Growers and greengrocers start home deliveries to survive lockdown](#) [04 April, Nina Hindmarsh, Stuff NZ] Nelson and Tasman growers and greengrocers have started vegetable box deliveries in order to keep their businesses running and stop produce going to waste. Stephen Morris from Heatherdale Organics stated that he was told to shut down on a technicality and that the public need alternative sellers to ensure they are not being ripped off. Ableby's Connings Food Market has stated that it will provide a limited amount of boxes for home delivery and will prioritise over 70's, immunocompromised and essential service workers for its service. Other home delivery services in the area include Victoria Gardens Fruit and Vege, Parapara Organic and Kokalito Organics, with all of them stating that they are busy keeping up with demand.

[Feast On Feijoas To Keep Your Immunity Levels Up](#) [06 April, Time Online] Two feijoas consumed a day provides 64 percent of your recommended daily intake of Vitamin C. The feijoa crop for 2020 will peak in April and be available in good supply until the end of June. Julia Third, Director of the

Feijoa Association reports that they are a useful snack to have at this time of year and helpful in boosting one's immune system while also providing a source of fibre. Mrs Third states that the crop for 2020 is around 20 percent higher than last years, and 1500 tonnes are expected to be harvested this season.

[Fruit, wine industries respond to coronavirus with vintage Kiwi adaptability](#) [06 April, Georgia-May Gilbertson, Stuff NZ] A shortage of backpackers and seasonal workers due to Covid-19 is being covered by New Zealanders in the fruit and wine industries. New Zealand Kiwifruit Growers Incorporated President Nikki Johnson stated that it is the first season in a while that the kiwifruit industry has not faced a major labour shortage, with many of the jobs filled with workers from other industries whilst businesses are closed during the lockdown. The kiwifruit industry will reach full capacity next week which will result in an increase in vacancies. New Zealand Apples and Pears Chief Executive Alan Pollard has reported that the apple industry is facing significant challenges, particularly in finding pickers but that they are working through it as best as they can. Horticulture New Zealand Chief Executive Mike Chapman has stated that he does not expect the price of fruit and vegetables to rise. Winemakers have stated that they are also facing challenges and are having to adapt in the face of Covid-19.

[Covid 19 coronavirus: Horticulture sector 'lifeline' for more Kiwi workers](#) [08 April, Sandra Conchie, The Country] Agriculture Minister Damien O'Connor has reported that the horticulture sector is offering a lifeline to workers from other industries currently being impacted by the Covid-19 lockdown, particularly in the Bay of Plenty region. With a limited number of overseas workers available to fill vacancies, the positions have been filled by local workers. New Zealand Kiwifruit Growers Inc reported some businesses now had a workforce of more than 90 per cent New Zealanders, compared to around 50 per cent last season. Around 20,000 workers are required at the peak of the harvest.



## Aquaculture

[Observers' requirement suspended for tuna fishers](#) [02 April, Bernadette

Carreon, RNZ] The Parties to the Nauru Agreement has suspended the 100 percent observers' coverage requirement for all purse seiners fishing in its waters, due to the threats to the tuna industry poised by Covid-19 and the need for global food security. The suspension is effective immediately and will be enforced until 31 May. The suspension is based on several conditions including a requirement where vessel operators take on the cost of repatriating observers currently onboard vessels. The tuna fleets argued that this move was essential because canned tuna is one of the in-demand emergency supplies as part of the Covid-19 pandemic. The Forum Fisheries Agency (FFA) also supported the PNA's move.



## Farmers & Producers

[Co-ops and cows helping rebuild war-torn communities](#) [01 April,

DairyNews] Ross Wallis, a Waikato Dairy Farmer is sharing his dairy knowledge to thousands of people in Sri Lanka. Mr Wallis has been helping progress a Tearfund social enterprise which uses dairying as a way to rebuild war-torn communities and give people something to work towards. The programme provides support to farmers in Sri Lanka to increase their milk production and profitability. Eight years into the programme, 1,400 farmers are producing 500,000 litres each month. Mr Wallis states that the advice he offers is simple, such as keeping them watered and how quality feed makes a large difference. Tearfund provides training at a demonstration farm to a small number of farmers who then return to their communities and pass this information on, to help raise others above the poverty line.



## Environment & Emissions

[Plastic packaging: Hero or villain in the coronavirus era?](#) [01 April, Oliver Morrison, Food Navigator] Covid-19 and its global impacts have resulted in the food packaging debate re-starting, with some stating that plastic is crucial to help protect food from bacteria. On the other hand, others are using the pandemic to state that disposable plastic is unsustainable and carries harmful bacteria. Currently, no evidence shows that food is being associated with the transmission of Covid-19. Consumer spending on packaged food in Europe is soaring, with items such as packaged mandarins soaring by 111 percent in the week ending 08 March.

[Soil carbon needs more work](#) [07 April, Annette Scott, Farmers Weekly] Soil Nutrition Consultant Paul Smith has reported that indications show that New Zealand is not as good at managing soil degradation as it thinks it is, despite nutrient management becoming the latest buzz word for farmers. Mr Smith stated that healthier soil, pasture and animals means healthier financial returns. One potential option for increasing soil carbon in New Zealand is adopting adaptive multi-paddock (AMP) grazing with long rotations which allows grass grow to long rather than continuous grazing. New Zealand typically has healthy soils and rainfall which Mr Smith states allows for soil carbon to be increased relatively quickly. New Zealand has not yet got up and running with its on-farm soil carbon benchmarking and monitoring for pastoral farms.



## Trade & Exports

[Cargo planes start filling bellies](#) [03 April, Farmers Weekly] 22 additional flights will be put on by Air New Zealand during the next two weeks, to deliver high-value goods to Shanghai. Air New Zealand Cargo General manager Rick Nelson reported that this comes as positive news for the company, as well as

exporters. The first flight carried seafood, honey and day-old chicks and returning flights will carry essential goods and equipment including medicine. Air NZ is currently working on reinstating flights to Australia, the United States, Canada and Asia.

[Commodity prices continue to fall but offset by weakening dollar](#) [06 April, RNZ] Covid-19 is causing commodity prices to fall however a weaker New Zealand dollar is cushioning the impacts. The ANZ World commodity price dropped by 2.1 percent in March, however in local currency terms actually rose by 3.3 percent due to a drop in the New Zealand dollar. Horticulture remains unchanged, whilst dairy, meat, fibre, forestry and aluminium fell. Skim milk powder dropped by 8.1 percent, facing the sharpest drop. Horticulture has so far escaped the downward trend due to new season exports only now beginning to hit international markets. ANZ Agri-Economist Susan Kilsby reports that New Zealand's primary sector will not be able to completely escape the current global economic challenges.



## Agri-Tech

[New robotics](#) [06 April, Ed Leahy, Fresh Produce Journal] New

Zealand's Robotics Plus is bringing its machines to the global market, with Adrian Scripps being the first UK business to benefit from the machinery. The tech firm has a portfolio of products, including a robotic kiwi picker, automatic log scaler, and a kiwi pollinator as well as an automatic apple picker, and a range of unmanned ground vehicles. Robotics Plus' Aporo apple picker can put away 120 apples a minute which is equal to the labour of two people and is also capable of working around the clock during picking season. The UK will receive their first Aporo packers this year, with packhouses in New Zealand, Europe and the US already having installed the technology. The company reports that exports represent 90

percent of their revenue and that they will be focusing on the US and European markets.



## Red Meat

[Shifting global demand creating beef carcass imbalance](#) [02 April,

Meat & Livestock Australia Ltd., Mirage News] Global demand for red meat is changing under the impacts of Covid-19. Online demand for meat has lifted significantly, and so has the demand for staple items such as mince, meaning that balancing cut value across carcasses is becoming harder. Foodservice channel demand has dropped globally, however the increased retail demand is helping to offset this. Foodservice channels typically purchase high-value cuts which usually help to maintain profitability, so the skewed nature of orders is affecting the red meat sector. This skewed demand is expected to continue into the near future, and processors need to adapt to the new circumstances.

[COVID-19: Growing interest in NZ sheepmeat in China](#) [03 April, Peter Burke, Rural News] Beef + Lamb New Zealand have performed a social media analysis and reported that Chinese consumers are increasingly positive about New Zealand red meat as the Chinese market slowly opens after Covid-19 restrictions. Nick Beeby, General Manager of Market Developer stated that New Zealand is well-placed to enter back into the Chinese market for red meat, particularly due to positive health perceptions of beef, desire for mutton hot pots, and New Zealand remaining a strong country of origin.

[Queues for meat plant space grow](#) [06 April, Farmers Weekly] Alliance and Silver Fern Farms report that due to Covid-19, their plants are running at half capacity which is having an impact on the number of livestock waiting to be processed. Silver Fern Farms have told suppliers that they may need to wait up to six weeks for space depending on stock class and region, however mentioned that demand for New

Zealand meat has remained stable. Different eating patterns have arisen due to restaurants being shut globally but Silver Fern Farms report that a return in consumer confidence in China is a positive indicator for the sector. Venison is the hardest-hit red meat, with reduced demand in the US and China banning the meat due to it being from a wild animal.



## Dairy

[Dairy's corona hangover](#) [30 March, Rabobank NZ, DairyNews] Covid-19

is weighing on global market forecasts and the outlook for the remainder of 2020. Rabobank NZ believe that global market fundamentals have actually shifted, with a material reduction in China's 1h 2020 import requirements. Chinese dairy import volume is set to fall by 19 percent within the year. Rabobank expects New Zealand dairy export volumes to be negatively impacted due to weaker trade with China, impacts of Covid-19 and strong comparables in 2019. Fonterra has held its 2019/20 forecast farmgate milk price range to between \$7.00-\$7.60/kgMS. Drought in the North Island is limiting production availability at the end of the season which has partly countered the disruption in trade volumes to China.

[Dairy product price index posts first gain in five auctions](#) [08 April, BusinessDesk, Farmers Weekly] Dairy product prices have risen for the first time since January amidst the global impacts of Covid-19. The GDT price index rose by 1.2%, however only 20,302 tonnes of product was sold compared to 24,209 tonnes three weeks earlier. Bank of New Zealand Market Strategist Jason Wong stated that the auction had stronger results than expected. New Zealand is reaching the end of its dairy season, meaning that product availability is limited, so the rise in prices displays that demand is higher than the level of product available. Whole milk powder climbed 2.1% to USD\$2,820 (approx. NZD\$4,740) a tonne. North Asia, South East Asia

and Oceania all purchased more product than they did at the previous event.

[LIC shareholders torpedo Afimilk deal](#) [08 April, Sudesh Kissun, Rural News] LIC shareholders have rejected a board proposal to purchase a 50 percent stake in Israeli agri-tech company Afimilk for \$108 million. 70 percent of votes cast rejected the deal, with 27.5 percent backing the deal. Murray King, LIC's Chairman reports that the board understands and respects its shareholders' decision, especially in the current global climate with market volatility. Mr King thanked shareholders for their careful consideration of the proposal

---



## Forestry

[Local Focus: Wairoa forestry 'scaring the hell out of this community'](#) [06 April, Patrick O'Sullivan, NZ Herald] More than seven percent of Wairoa farmland has been sold into forestry over the last 6 months, which is concerning the wider area. Wairoa Mayor Craig Little reported that forestry has well out-paced farming in the district and that people are planting trees in order to gain carbon credits. Mr Little reports that increased forestry means that as a result there are fewer jobs for locals, schools are closing, communities are becoming smaller and less farmers are around to spending their money in town. Flood damage has also increased in the district. Farmers are being offered premium prices for their land. Minister of Agriculture Damien O'Connor visited the East Coast Expo reporting that he has spoken with various Wairoa groups surrounding forestry in the area and believes that forests are not the end of rural New Zealand.

---



## International

[Israel mobilizes the youth to harvest fruit](#) [02 April, Fresh Plaza] Thousands of young people over the age of 18 are allowed to participate in the citrus harvest in

Israel, after the government signed an order to allow it, during restrictions to help prevent the spread of Covid-19. Restrictions mean that up to 20,000 seasonal workers are unable to enter the country, and the sector was already facing a labour shortage. The young workers will need to comply with strict regulation methods, such as wearing PPE, and maintaining a distance of 2 metres from co-workers. The order allows young people to volunteer for alternate 10-day periods. The decision is expected to help alleviate the labour pressure on the citrus harvest.

[U.S. dairy farmers dump milk as pandemic upends food markets](#) [03 April, P.J Huffstutter, Reuters] Supply chain disruptions in America mean that milk is now being dumped, as dairy farmers are unable to get their products to market. Milk is particularly susceptible because it is a perishable item, however worker shortages are causing disruptions in a range of sectors. Dairy Farmers of America (DFA), the largest U.S. dairy cooperative has asked some of its members to start dumping their milk. Wisconsin-based Foremost Farms USA has warned some of its members that they might need to start thinking about extra culling of herds. On the other hand, demand for dairy products has increased with panic buying in supermarkets according to Nielson data. Part of the issue is a large shortage of truck drivers, with some trucking companies now offering signing bonuses.

[Why grocery shelves won't be empty for long](#) [03 April, Peter Rubinstein, BBC] Experts across the food system report that citizens should not worry about a potential food shortage, as the system has been built to endure. Less food is going to food services with restaurants closed and this food is now being shifted towards retail. There are mechanisms which can be put in place if needed to pump out enough food for the supermarkets, such as pasta companies only producing core types of pasta in order to produce more. Customers can only stockpile so much food, and it is expected that normality will soon return to supermarkets.

[Agriculture tech start-up secures \\$120 million investment to expand farming in UAE](#) [06 April, Ramla Soni, Capital.com] United Arab Emirates agriculture technology start-up Pure Harvest Smart Farms has raised USD\$20.6 million (approx. NZD\$34 million) and also secured commitments for a further USD\$100 million (approx. NZD\$166 million). A tenth of the new funding has come from investment firm Wafra International, who have also committed equity and project financing. Pure Harvest report that the new investment will go towards developing controlled-environment agricultural facilities such as greenhouses in order to grow pesticide-free fruits and vegetables. It currently supplies five tomato varieties which are grown in an enclosed, environment-controlled farm to supermarkets, hotels and restaurants in the UAE. The food technology industry is developing in the UAE, with summer temperatures rising above 50 degrees Celsius.

[Coronavirus: Why Canada dairy farmers are dumping milk](#) [06 April, BBC News] Dairy Farmers of Ontario have told their farmers to get rid of milk in order to keep prices stable and to prevent oversupply in the industry. The industry body state that demand has dropped significantly due to restaurants and other bulk buyers are shutting in the face of Covid-19. A trade report states that 500 farms have been asked to dump 5 million litres of milk a week. The industry body state that they will be asking farmers to dump milk on a select and rotating basis.

[Vertical farms 'in pole position' to disrupt the food system: Barclays Capital](#) [06 April, Katy Askew, Food Navigator] Market analysts at Barclays Capital report that vertical farms are able to capitalise a USD\$50 billion (approx. NZD\$84 billion) global market opportunity. Vertical farms allow produce to grow in stacked layers, increasing the yield per unit of land in controlled environments which can provide optimal growing conditions for different crops. Barclays Capital believe that vertical farming might offer solutions to some of the world's

long-term challenges with the food system such as increased extreme weather events. The farms are able to be placed anywhere, use less land and water and may help to reduce food waste. So far vertical farms have focused on leafy greens, soft fruit and berries and high capital investment is needed to further establish vertical farming operations.

[Half of UK chickens produced by US agriculture giants](#) [07 April, The Bureau of Investigative Journalism] An analysis of industry data has shown that half of the United Kingdom's chickens are being produced by companies fully or partly controlled by US agribusinesses. Around a billion birds are killed each year in UK abattoirs, with Moy Park producing around 312 million birds, whilst Avara Foods slaughters 234 million. As a result American-style intensive farming is becoming more widely adopted in the UK, and has risen by 7 percent within the last three years. This is worrying advocates as intensive farming puts animal welfare at risk.

---

## Organisations referenced in this week's Field Notes include:

Afimilk  
AgResearch  
Air New Zealand  
Alliance  
ANZ  
Avara Foods  
Barclays Capital  
Beef + Lamb New Zealand  
Connings Food Market  
Dairy Farmers of America  
Dairy Farmers of Ontario  
Deer Industry New Zealand  
Farmax  
Federated Farmers  
Feijoa Association  
Fieldays  
Forecast Farms USA  
Forum Fisheries Agency  
Freshchoice  
Heatherdale Organics  
Horticulture New Zealand  
Horticulture New Zealand  
Kokalito Organics  
LIC  
Moy Park  
New Zealand Apples and Pears  
New Zealand Kiwifruit Growers Incorporated (NZKGI)  
New Zealand Pork  
Nielson Data  
Parapara Organic  
Produce Pronto  
Pure Harvest Smart Farms  
Rabobank NZ  
Robotics Plus  
Sewell Peak Farm Ltd.  
Silver Fern Farms  
Supervalu  
Talleys vegetables  
Tearfund NZ  
The Modern Forager  
The Parties to the Nauru Agreement  
Victoria Gardens Fruit and Vege  
Wafra International

---

## Contact Us

Auckland/Audit

**Ian Proudfoot**

09 367 5882

iproudfoot@kpmg.co.nz

Auckland/Agri-Food

**Jack Keeyes**

09 363 3502

jkeeyes@kpmg.co.nz

Auckland/Agri-Food

**Andrew Watene**

09 367 5969

awatene@kpmg.co.nz

Auckland/Deal Advisory

**Charles Widdicombe**

09 367 5949

cwiddicombe@kpmg.co.nz

Wellington/Management Consulting

**Justine Fitzmaurice**

04 816 4845

jfitzmaurice@kpmg.co.nz

Hamilton/Private Enterprise

**Hamish McDonald**

07 858 6519

hamishmcdonald@kpmg.co.nz

Consultant – South Island

**Genevieve Steven**

03 307 0761

gsteven@kpmg.co.nz

Farm Enterprise – South Island

**Brent Love**

03 683 1871

blove@kpmg.co.nz

---

## Subscribe

To subscribe to future editions of Field Notes please [click here](#).

Field Notes presents a summary of some of the media comment on the Agribusiness sector in the last week. The views expressed do not necessarily represent the views of KPMG but are summaries of the articles published.

The information provided herein is of a general nature and is not intended to address the circumstances of any individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received nor that will it continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2020 KPMG, a New Zealand partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International"). KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative ("KPMG International"), a Swiss entity.